

STAT

Approved For Release 2005/12/14 : CIA-RDP85T00875R001900030017-7

Approved For Release 2005/12/14 : CIA-RDP85T00875R001900030017-7

CIA/OER/S-06309-74

STAT

Response to CIEP's Questions on
Soviet Grain Storage Capacity

S-6309

STAT

STAT

3

MICRO ONLY

3 July 1974

MEMORANDUM FOR: Sidney Zabłudoff
Council on International Economic Policy

SUBJECT : CIEP's Questions on Soviet Grain
Storage Capacity

1. This in response to [redacted] memorandum on Soviet Grain Storage Capacity, dated 21 May 1974. As per our telephone conversation, we have recast the questions.

2. Do we have a rough idea of USSR grain storage capacity?

Officials of the USSR Ministry of Procurement -- the agency responsible for purchasing and handling grain crops -- recently told [redacted] storage capacity for grain, held by the Ministry, was 126 million metric tons. In addition there is "more than 100 million metric tons" of capacity on farms. We have a good idea of the types of state storage; onfarm capacity undoubtedly varies from open-air platforms to well-ventilated buildings. The accuracy of the quantity of state storage capacity could probably be checked, at least roughly, by aggregating the data regularly published by the USSR on storage capacity constructed. This, however, would be a very time consuming project.

3. What has our agricultural exchange agreement with the USSR produced along these lines?

The US delegation on wheat storage, handling, and milling was the first US group to visit the USSR under the US/USSR agricultural exchange agreement. They may be able to shed considerable light on Soviet storage problems.

4. What does the agricultural attache's office know on these topics?

The agricultural attache's office participates in most meetings between U.S. agricultural delegations and Soviet officials. The office also reads the local press. However, they do not do any research into problems such as grain storage or capacity.

On file Department of Agriculture release instructions apply.

5. What assumptions does USDA use on storage capacity? We understand that USDA accepts the capacities expressed above (para. 1.) as accurate.

6. What do we know about the Soviet grain stock position?

The Soviets made it very clear to the first working group on the US/USSR agricultural exchange that the quantity of grain stocks is a state secret, subject to the official Secrets Act. [redacted] 25X1
the USSR feels stocks should "equal a year's needs." Although ambiguous in coverage, the implication is that these stocks include both centralized stocks which are primarily for food, industrial and seed uses; and farm stocks which consist of feed and some seed. This sort of general statement is corroborated in Soviet technical publications and by a statement by Khrushchev in 1958. The quantity desired in so-called "strategic" (untouchable except in an emergency) or a minimum level of stocks, however, is not known. As needs for grain increase it can be assumed that the level of all stocks wanted and perhaps the minimum level also would increase. Our grain balance work, currently in progress, indicates that while Soviet grain requirements have been steadily increasing, the fluctuation in grain production has meant that additions to stocks were not possible in 5 of the past 12 years. Indeed, sharp stock drawdowns were necessary in some of those years.

STAT

[redacted]
USSR Branch